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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/697,009	10/25/2000	Bruce L. Davis	60319	4530

23735 7590 10/21/2003

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EXAMINER	
JANVIER, JEAN D	

ART UNIT	PAPER NUMBER
3622	

DATE MAILED: 10/21/2003

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary	Application No.	Applicant(s)	
	09/697,009	DAVIS ET AL.	
	Examiner	Art Unit	
	Jean D Janvier	3622	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on *29 July 2003* .

2a)☒ This action is **FINAL**. 2b)☐ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) 2 is/are pending in the application.

4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) 2 is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

11)☐ The proposed drawing correction filed on _____ is: a)☐ approved b)☐ disapproved by the Examiner.

If approved, corrected drawings are required in reply to this Office action.

12)☐ The oath or declaration is objected to by the Examiner.

Priority under 35 U.S.C. §§ 119 and 120

13)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a)☐ All b)☐ Some * c)☐ None of:

1.☐ Certified copies of the priority documents have been received.

2.☐ Certified copies of the priority documents have been received in Application No. _____ .

3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

14)☒ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application).

a) ☐ The translation of the foreign language provisional application has been received.

15)☒ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

Attachment(s)

1) ☐ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☐ Information Disclosure Statement(s) (PTO-1449) Paper No(s) _____ .
4) ☐ Interview Summary (PTO-413) Paper No(s). _____ .
5) ☐ Notice of Informal Patent Application (PTO-152)
6) ☐ Other: .

Response To Applicant's Amendments

The Examiner approves the change made to the specification.

Information Disclosure Statement

The IDS filed on 09/15/03 has been considered and initialed by the Examiner, as shown on enclosed PTO Form 1449, except for the NPL documents, which were not received. Applicant is herein requested to supply copies of these documents in a future correspondence.

Response to Applicant's Arguments

First of all, in response to the restriction requirement, the Applicant had canceled without prejudice or traverse claims 1 and 4. However, the Applicant traverses the restriction of claims 2 and 3 by pointing out that the prerequisites for restricting claims in an application is that the claims must each be unobvious over each other. Applicant further argues that both claims 2 and 3 have the same PTO classifications and are only differ by a few words. Nevertheless, the Examiner completely and respectfully disagrees with the Applicant's findings. The fact that claims 2 and 3 have the same PTO classification does not automatically imply, contrary to the Applicant's conclusion, that the claims cannot be restricted, especially it can be shown that the claims are separately usable based on their disclosure. Further, the claims were shown to be unobvious over each other. Indeed claim 2 recites a method for sensing or scanning a digitally watermarked object at a first location and at a second location respectively using a reading device, wherein the scanning process taking place at the first location and second location respectively produces two different outputs or readings and wherein one of the reading triggers

the issuance of a coupon and claim 3 recites a method for sensing or scanning **a digitally watermarked object at a first time t1** using a reading device **and another digitally watermarked object at a second time t2** using a reading device, wherein the scanning process taking place at the first time and at the second time produces two different outputs or readings and wherein one of the reading triggers the issuance of a coupon. Claims 2 and 3 differ by more than a few words. In fact, they disclose two different inventions and have separate utilities. Arguendo, even if claim 3 were to disclose a process for scanning one single watermarked object at two different times t1 and t2 wherein the scanning at t1 and t2 triggers two different outputs and wherein one output is the issuance of a coupon, the restriction requirement would have been proper since claim 2 is location dependent and claim 3 is time dependent.

Here, the Applicant's election with traverse of claim 2 in Paper No.6 is acknowledged. The traversal is on the ground(s) as presented above. This is not found persuasive because of the above reasons. Thus, the requirement is still deemed proper and is therefore made FINAL.

Second of all, in response to applicant's argument that the examiner's conclusion of obviousness is based upon improper hindsight reasoning, it must be recognized that any judgment on obviousness is in a sense necessarily a reconstruction based upon hindsight reasoning. But so long as it takes into account only knowledge which was within the level of ordinary skill at the time the claimed invention was made, and does not include knowledge gleaned only from the applicant's disclosure, such a reconstruction is proper. See *In re McLaughlin*, 443 F.2d 1392, 170 USPQ 209 (CCPA 1971).

Finally, it appears that the Applicant is requesting that the Examiner provide a document to support the Examiner's position taken in the "Official Notice". However, this request is a "general request" or "casual request" since it does not specifically point out any deficiency in the "Official Notice". Hence, the Examiner will not honor such a request.

Therefore, the Applicant's request for allowance or withdrawal of the last Office Action has been fully considered and respectfully denied in view of the foregoing response since the Applicant's arguments as herein presented are not persuasive and thus, the last Office Action, as shown below, is hereby maintained and the current **Office Action has been made Final.**

DETAILED ACTION

Specification

Priority

Applicant's indirect claim for domestic priority under 35 U.S.C. 119(e) to Provisional Application 60/134, 782, file on 05/19/1999, through Application 09/343,104, filed on 06/29/1999, is acknowledged. However, the provisional application upon which priority is claimed fails to provide adequate support under 35 U.S.C. 112 for claim 2 of this application. For examination purpose, the Instant Application will receive a filing date of 10/25/2000 unless the Applicant can provide document to support an earlier filing date. Further, Bruce Davis' name, a co-inventor in the Instant Application, does not appear in the provisional Application. In

addition, the Instant Application has only two inventors while Application 09/343, 104, a priority document, has six inventors (see enclosed printouts).

Status of the claims

Applicants had canceled claims 1 and 4 without traverse or prejudice. Further, claim 3 was withdrawn from further consideration pursuant to 37 CFR 1.142(b), as being drawn to a nonelected invention, there being no allowable generic or linking claim. Applicant timely traversed the restriction (election) requirement in Paper No. 6. Finally, claim 2 is still pending in the Instant Application.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

This application currently names joint inventors. In considering patentability of the claims under 35 U.S.C. 103(a), the examiner presumes that the subject matter of the various claims was commonly owned at the time any inventions covered therein were made absent any evidence to the contrary. Applicant is advised of the obligation under 37 CFR 1.56 to point out the inventor and invention dates of each claim that was not commonly owned at the time a later invention was made in order for the examiner to consider the applicability of 35 U.S.C. 103(c) and potential 35 U.S.C. 102(e), (f) or (g) prior art under 35 U.S.C. 103(a).

Claim 2 is rejected under 35 U.S.C. 103(a) as being unpatentable over Barnett, US Patent 6, 321, 208B1 in view of "Official Notice".

As per claim 2, Barnett discloses a system for distributing over the Internet, in a secure manner, electronic coupons received from distributor 16 and coupon issuer 14 (vendor) to a specific user using a personal computer 6 of fig. 1 linked to a server or a web server or online service provider 2 having a database 40 containing product coupons and information on products and services (promotional items or advertisements) available for sales at participating retail stores or online shopping malls and wherein upon connecting to said system or online service provider 2 of fig. 1 over the Internet, the user using personal computer 6 can download coupon data directly to his personal computer memory or Hard disk drive where they can be printed in the form of paper coupons 70 (hard copies or object).The printed coupon 70 (object), as shown in fig. 5, comprises a plurality of fields including a unique user identification code 90 to uniquely identify the user or customer during a transaction, redemption instructions 88, product information 80, border graphics 72, redemption amount 74, expiration date 78, UPC number 82, UPC bar code 84 and so on (col. 12: 14-25). Moreover, the user takes the printed coupon(s) (object) to a participating retail store and wherein upon detecting the presence of a UPC code related to a promotional item associated with a printed coupon in the customer's order, the coupon is redeemed accordingly, subsequent to verifying the identity of the user or the bearer of the coupon, and a price reduction is applied to the customer's order. In addition, the unique user identification code 90 renders the electronic coupon distribution and redemption system secure

and virtually fraud proof. In order to discourage fraudulent activities, in the form of photocopy, a particular set of coupon data can be used to obtain a printed coupon only once (hence a one-time redemption), thereby preventing the user or retailer from photocopying a printed coupon several times and subsequently and repeatedly presenting the photocopies for redemption (col. 7: 21-34; col. 11: 11-23; col. 11: 44-47).

(See abstract; figs. 1, 5; col. 8: 14-21; col. 11: 29-43; col. 12: 14-25).

Barnett does not explicitly disclose digitally watermarking an object (coupon) and triggering two different responses when the object is read at two locations.

However, electronically or digitally watermarking an object or document to ensure their authenticity to thereby identify any copies of the object or document is old and well known in the art. Indeed, a watermark is a mark, which is difficult to reproduce and it is laid over some other existing information for the purpose of identification and authenticity of the underlying information (e.g. visible watermark on currency). Further, electronic or digital watermark is invisible or imperceptible to the user. Therefore, electronically or digitally watermarking an object (coupon) or document makes it impossible to reproduce the object since the photocopies of the object (coupon) will not contain the invisible or imperceptible watermark (mark).

Therefore, an ordinary skilled artisan would have been motivated at the time of the invention to incorporate the above disclosure ("Official Notice") into the secure coupon distribution system of Barnett so as to allow a user or customer to download coupon data

including data representative of an electronic mark (digital watermark) and subsequent use the coupon data including the electronic mark to obtain a one-time printed coupon 70 (object) of fig. 5 having imprinted thereon, among other indicia, an invisible or imperceptible electronic or digital watermark (mark), wherein upon scanning the printed coupon (object) at a first POS during a redemption process, the invisible mark or digital watermark is detected by the POS scanner (triggering a first reading indicative of the application of the discount) and a price reduction is be applied to the customer's accordance with field 74 of fig. 5 for not only purchasing the associated product, but also for presenting an authentic coupon (object) for redemption and if the customer or user attempts to redeem a photocopy of the same coupon at the first POS or a second POS during a transaction, then the POS scanner will not detect the digital watermark (triggering a second output or message related to the status of the photocopy of the coupon) on the photocopy of the coupon and the illegal redemption attempt will fail, thereby preventing multiple redemptions of a single authentic coupon using photocopies (counterfeit) of the authentic coupon, having among other indicia the invisible digital watermark imprinted thereon, by any malicious customers, while reducing or eliminating fraudulent activities common in any coupon distribution and redemption system, which in the end helps the coupon distributor 16 and coupon issuer 14 save considerable amount of money by not having to compensate retailers for those multiple and fraudulent redemptions.

Conclusion

The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

US Patent 6,014,634A to Scroggie et al. discloses an incentive distribution network.

US Patent 6,108,656A to Durst et al. discloses an automatic access to electronic information via a printed medium.

US Patent 6,148,331A to Parry discloses an automatic access to electronic information via a printed medium.

US Patent 5,978,773A to Hudetz et al. discloses an automatic access to electronic information via a printed medium.

US Patent 5,483,049A to Schulze discloses a system wherein a customer brings a printed medium to a retail store having a coupon imprinted thereon and wherein the customer exchanges the printed coupon for an exchange coupon available at the retail store and wherein the printed coupon was directly associated with the retail store.

Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after

the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

Any inquiry concerning this communication from the Examiner should be directed to Jean D. Janvier, whose telephone number is (703) 308-6287). The aforementioned can normally be reached Monday-Thursday from 10:00AM to 6:00 PM EST. If attempts to reach the Examiner by telephone are unsuccessful, the Examiner's Supervisor, Mr. Eric W. Stamber, can be reached at (703) 305- 8469.

For information on the status of your case, please call the help desk at (703) 308-1113. Further, the following fax numbers can be used, if need be, by the Applicant(s):

After Final- 703-872-9327

Before Final -703-872-9326

Non-Official Draft- 703-746-7240

Customer Service- 703-872-9325

ERIC W. STAMBER
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JDJ

10/07/03